Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated Financial Statements
For the year ended
31 December 2023
together with the
Independent Auditor's Report

Index

Index	Page
Independent Auditor's Report	1 - 4
Consolidated Statement of Financial Position as at 31 December 2023	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023	6
Consolidated Statement of Changes in Shareholders Equity for the year ended 31 December 2023	7
Consolidated Statement of Cash Flows for the year ended 31 December 2023	8
Notes to the Consolidated Financial Statements for the year ended 31 December 2023	9 - 55

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Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Jahez International Company for Information Systems Technology (A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Jahez International Company for Information Systems Technology ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in shareholders equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matter is this matter that, in our professional judgment, was of the most significance in our audit of the consolidated financial statements of the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KPMG professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of SAR 40,000,000. (Previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً " شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Independent Auditor's Report

To the Shareholders of Jahez International Company for Information Systems Technology (A Saudi Joint Stock Company) (continued)

key audit matter (continued)

Revenue recognition

With reference to Note (3\n) of the accounting policy related to revenue from contracts from customers, as well as Note (21) related to disclosure of revenue.

Key audit matter	How the matter was addressed in our audit
During the year ended 31 December 2023, revenue amounting to SR 1.784 billion was recognized (2022: SR 1.602 billion). Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks by overstatement of revenue recognition to increase profitability. Therefore, revenue recognition was considered a key audit matter.	Our audit procedures performed with relation to revenue included, among others, the following: • Assessing the appropriateness of the revenue recognition policy that is applied to different products and combination of products to assess whether it is in accordance with the IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA; • Assessing the design and implementation and tested the operating effectiveness of controls relating to processes over revenue recognition, including anti-fraud control procedures. • Conducting a testing for the settlements of the amounts collected against the services provided to costumers and the related commissions. • Performing various analytical reviews of significant revenue streams; • Conducting a sample-based testing of revenue transactions with the supporting documents, to verify that the revenues are recorded in their correct periods. • Inquired from the management representatives regarding fraud awareness and the existence of any actual fraud cases. • Assessing the adequacy of the disclosures in the consolidated financial statements considering the requirements of IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.

KPMG

Independent Auditor's Report

To the Shareholders of Jahez International Company for Information Systems Technology (A Saudi Joint Stock Company) (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report once it is made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), the applicable requirements of the Regulations for Companies, Company's By-Laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Group's Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

To the Shareholders of Jahez International Company for Information Systems Technology (A Saudi Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Jahez International Company for Information Systems Technology ("the Company") and its subsidiaries ("the Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services

Fahad Mubark Al Dossari
License No. 469

Riyadh, 16 Ramadan 1445H
Corresponding to: 26 March 2024

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of financial position
As at 31 December 2023
(Saudi Riyal)

	Note	31 December 2023	31 December 2022
Assets			
Non-current assets			
Property and equipment	4	**53,839,230**	40,355,671
Intangible assets and Goodwill	5	**81,002,357**	5,724,786
Right-of-use assets	6	**96,914,858**	133,504,502
Investments at FVTPL	7	**84,096,616**	22,728,737
Total non-current assets		**315,853,061**	202,313,696
Current assets			
Inventory		**9,819,248**	924,771
Trade receivables	8	**36,425,399**	22,776,390
Prepaid expenses and other receivables	9	**72,074,580**	82,184,561
Cash and cash equivalents	10	**1,109,059,521**	902,685,742
Deposits with financial institutions	11	**107,564,031**	200,000,000
Total current assets		**1,334,942,779**	1,208,571,464
Total assets		**1,650,795,840**	1,410,885,160
Equity and liabilities			
Shareholders' Equity			
Share capital	12	**104,918,030**	104,918,030
Statuary reserve	13	**18,420,724**	18,420,724
Share premium	12	**740,175,504**	740,175,504
Treasury shares	12	**(1,920,000)**	(1,920,000)
Employees' shares reserve	14	**31,381,389**	11,896,912
Retained earnings		**258,542,572**	131,634,562
Equity attributable to equity holders of the Parent Company		**1,151,518,219**	1,005,125,732
Non-controlling interests		**(6,039,275)**	(1,160,057)
Total shareholders' equity		**1,145,478,944**	1,003,965,675
Liabilities			
Non-current liabilities			
Non-current portion of lease liabilities	6	**63,001,917**	96,833,791
Employees' benefits obligations	15	**17,255,681**	10,889,389
Total non-current liabilities		**80,257,598**	107,723,180
Current liabilities			
Proceeds due to customers	16	**161,549,641**	118,800,899
Current portion of lease liabilities	6	**32,971,145**	32,168,120
Trade payables	17	**83,573,373**	52,161,285
Accrued expenses and other current liabilities	18	**115,785,723**	68,257,264
Short term loan		**1,916,899**	--
Zakat provision	20	**29,262,517**	27,808,737
Total current liabilities		**425,059,298**	299,196,305
Total liabilities		**505,316,896**	406,919,485
Total equity and liabilities		**1,650,795,840**	1,410,885,160

The accompanying notes from 1 to 35 form an integral part of these Consolidated Financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud	**Ghassab Bin Salman Bin Mandeel**	**Heni A. Jallouli**
Chairman	**CEO**	**CFO**

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2023
(Saudi Riyal)

	Note	31 December 2023	31 December 2022
Revenue, net	21	**1,784,755,283**	1,602,476,839
Cost of revenue	22	**(1,378,877,760)**	(1,243,297,002)
Gross profit		**405,877,523**	359,179,837
Impairment (loss)/ Reversal of trade receivables	8	**(5,030,671)**	3,755,826
Marketing & advertising expenses	23	**(149,968,457)**	(131,377,566)
General and administrative expenses	24	**(106,194,606)**	(136,449,562)
Research and development expenses	25	**(41,866,741)**	(33,784,069)
Other (expense)/ income, net		**(921,969)**	2,695,556
Operating profit		**101,895,079**	64,020,022
Unrealized gains on investments at FVTPL	7	**3,326,897**	1,766,705
Finance costs		**(5,456,944)**	(3,155,960)
Interest revenue		**46,068,207**	22,196,965
Net profit for the year before zakat		**145,833,239**	84,827,732
Zakat	20	**(27,065,630)**	(28,304,442)
Net profit for the year		**118,767,609**	56,523,290
Net profit for the year attributable to:			
Shareholders of the Parent Company		**125,336,967**	58,977,006
Non-Controlling interests		**(6,569,358)**	(2,453,716)
		118,767,609	56,523,290
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains / (losses) from re-measurement of employees' end of service benefits	15	**1,571,043**	(189,362)
Total other comprehensive income		**1,571,043**	(189,362)
Total comprehensive income		**120,338,652**	56,333,928
Total comprehensive income attributable to			
Shareholders of the parent company		**126,908,010**	58,787,644
Non-Controlling interests		**(6,569,358)**	(2,453,716)
		120,338,652	56,333,928
Earnings per share attributable to shareholders of the Company:			
Basic earnings per share	28	**0.61**	0.29
Diluted earnings per share	28	**0.61**	0.29

The attached notes from 1 to 35 are an integral part of these consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud	**Ghassab Bin Salman Bin Mandeel**	**Heni A. Jallouli**
Chairman	**CEO**	**CFO**

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of changes in Shareholders Equity
For the year ended 31 December 2023
(Saudi Riyal)

	Equity attributable to the Parent Company's shareholders								
	Share capital	Statutory reserve	Share premium	Treasury shares	Employees' shares reserve	Retained earnings	Total	Non-controlling interests	Total
Balance as at 1 January 2022	**96,000,000**	**12,523,023**	--	--	--	**78,744,619**	**187,267,642**	**1,048,659**	**188,316,301**
Capital increase	8,918,030	--	--	--	--	--	**8,918,030**	--	**8,918,030**
Net profit for the year	--	--	--	--	--	58,977,006	**58,977,006**	(2,453,716)	**56,523,290**
Other comprehensive income for the year	--	--	--	--	--	(189,362)	**(189,362)**	--	**(189,362)**
Total comprehensive income for the year	--	--	--	--	--	58,787,644	**58,787,644**	(2,453,716)	**56,333,928**
Share primum (Note 12)	--	--	740,175,504	--	--	--	**740,175,504**	--	**740,175,504**
Treasury shares (Note 12)	--	--	--	(1,920,000)	--	--	**(1,920,000)**	--	**(1,920,000)**
Share-based payments transactions (Note 14)	--	--	--	--	11,896,912	--	**11,896,912**	--	**11,896,912**
Transferred to other reserve	--	5,897,701	--	--	--	(5,897,701)	--	--	--
Change in non-controlling interests	--	--	--	--	--	--	--	245,000	**245,000**
Balance as at 31 December 2022	**104,918,030**	**18,420,724**	**740,175,504**	**(1,920,000)**	**11,896,912**	**131,634,562**	**1,005,125,732**	**(1,160,057)**	**1,003,965,675**
Balance as at 1 January 2023	**104,918,030**	**18,420,724**	**740,175,504**	**(1,920,000)**	**11,896,912**	**131,634,562**	**1,005,125,732**	**(1,160,057)**	**1,003,965,675**
Net profit for the year	--	--	--	--	--	125,336,967	**125,336,967**	(6,569,358)	**118,767,609**
Other comprehensive income for the year	--	--	--	--	--	1,571,043	**1,571,043**	--	**1,571,043**
Total comprehensive income for the year	--	--	--	--	--	126,908,010	**126,908,010**	(6,569,358)	**120,338,652**
Share-based payments transactions (Note 14)	--	--	--	--	19,484,477	--	**19,484,477**	--	**19,484,477**
Change in non-controlling interests	--	--	--	--	--	--	--	1,690,140	**1,690,140**
Balance as at 31 December 2023	**104,918,030**	**18,420,724**	**740,175,504**	**(1,920,000)**	**31,381,389**	**258,542,572**	**1,151,518,219**	**(6,039,275)**	**1,145,478,944**

The attached notes from 1 to 35 are an integral part of these consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud	Ghassab Bin Salman Bin Mandeel	Heni A. Jallouli
Chairman	**CEO**	**CFO**

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of cash flows
For the year ended 31 December 2023
(Saudi Riyal)

	Note	31 December 2023	31 December 2022
Cash flows generated from operating activities:			
Net profit for the year before zakat		**145,833,239**	84,827,732
Adjustments to reconcile net income for the year to cash flows generated from operating activities:			
Impairment loss /(reversal) of trade receivables	8	**5,030,671**	(3,757,826)
Depreciation and amortization	4,5,6	**51,970,559**	23,530,731
Employees' benefits	15	**7,959,954**	5,574,726
Finance costs	6,15	**6,025,384**	3,155,960
Unrealized gains on investments at FVTPL	7	**(3,326,897)**	(1,766,705)
Share-based payments expenses	14	**19,484,477**	11,896,912
Interest revenue		**(46,068,207)**	(22,196,965)
Loss on disposal of right of use assets	6	**529,143**	--
Changes in operating assets and liabilities:			
Inventory		**(8,536,741)**	(726,890)
Trade receivables	8	**(9,299,606)**	(12,108,231)
Prepaid expenses and other receivables	9	**10,675,998**	(45,547,925)
Proceeds due to customers	16	**42,748,742**	(45,916,212)
Trade payables	17	**22,048,727**	22,940,978
Accrued expenses and other current liabilities	18	**44,364,173**	(7,008,436)
Employees' benefits paid	15	**(1,500,632)**	(712,817)
Interest paid	6	**(5,459,295)**	--
Zakat paid	20b	**(25,612,169)**	(4,987,323)
Net cash flows generated from operating activities		**256,867,520**	7,197,709
Cash flows from investing activities			
Payments for purchase of property and equipment	4	**(23,343,175)**	(37,165,475)
Payments to purchase and develop intangible assets	5	**(13,497,082)**	(2,962,556)
Payments to purchase investments at FVTPL	7	**(58,040,982)**	(1,125,000)
Addition of deposits with financial institutions	11	--	(200,000,000)
Repayment of deposits with financial institutions	11	**100,000,000**	--
Proceeds from interests on short-term deposits		**38,504,176**	22,196,965
Net payment for acquisition of subsidiary	32a	**(59,691,640)**	--
Net cash flows used in investing activities		**(16,068,703)**	(219,056,066)
Cash flows from financing activities			
Proceeds from initial public offering		--	749,093,534
Treasury shares		--	(1,920,000)
Payments of lease liabilities	6	**(32,518,198)**	(24,562,437)
Changes in non-controlling interests		--	245,000
Payment of short-term loan		**(1,906,840)**	--
Net cash flows (used in)/generated from financing activities		**(34,425,038)**	722,856,097
Net change in cash and cash equivalents		**206,373,779**	510,997,740
Cash and cash equivalents as at the beginning of the year		**902,685,742**	391,688,002
Cash and cash equivalents as at the end of the year		**1,109,059,521**	902,685,742

Non-cash transactions

Additions in Right-of-use assets against lease liabilities		**18,267,517**	124,243,233
Disposal in Right-of-use assets against lease liabilities		**20,181,208**	--

The attached notes from 1 to 35 are an integral part of these consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud — **Chairman**

Ghassab Bin Salman Bin Mandeel — **CEO**

Heni A. Jallouli — **CFO**

1- ORGANIZATION AND ACTIVITIES

Jahez International Company for Information Systems Technology ('the Company") was established as a limited liability company and registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010895874 dated 1 Muharram 1439H corresponding to 21 September 2017.

The Company's principal activities as per the commercial registration, include providing wireless data services, systems analysis, designing and programming software, and providing delivery services via e-platforms.

The Group's head office is located at Riyadh.
P.O Box 2065, Riyadh 12444 – 18594
Kingdom of Saudi Arabia.

The Company engages in activities through its branches and subsidiaries set out below:

Branch name and location	Commercial registration number	Date
Jahez International Company for Information Systems Technology - Al-Kharj Branch	1011146000	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Al-Dawadmi Branch	1116625257	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Majmaah Branch	1122103468	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Buraidah Branch	1131297057	19 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Wadi Al-Dawasir Branch	1185103225	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Dammam Branch	2050122490	14 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Al-Hofuf Branch	2251497695	10 Rabi' I 1442H
Jahez International Company for Information Systems Technology - Hafr Al Batin Branch	2511120829	30 Sha'ban 1442H
Jahez International Company for Information Systems Technology - Hail Branch	3350142538	6 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Skaka Branch	3400120435	9 Rabi' II 1442H
Jahez International Company for Information Systems Technology - Tabouk Branch	3550135159	29 Rabi' I 1442H
Jahez International Company for Information Systems Technology - Jeddah Branch	4030323208	6 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Makkah Al Mukaramah Branch	4031249230	30 Sha'ban 1442H
Jahez International Company for Information Systems Technology - Al Taif Branch	4032245135	10 Rabi' I 1442H
Jahez International Company for Information Systems Technology - Al Madinah Al Monawarah Branch	4650207633	19 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Yanbou Branch	4700112396	11 Rabi' I 1442H

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

Branch name and location	Commercial registration number	Date
Jahez International Company for Information Systems Technology - Al Baha Branch	5800106200	9 Jumada' I 1442H
Jahez International Company for Information Systems Technology - Abha Branch	5850122780	13 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Bisha Branch	5851876969	30 Sha'ban 1442H
Jahez International Company for Information Systems Technology - Jezan Branch	5900127812	30 Sha'ban 1442H
Jahez International Company for Information Systems Technology - Najran Branch	5950123043	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Al Qunfodah Branch	5900127812	22 Safar 1444H

On 27 October 2020, the shareholders decided to transfer the legal entity of the Company and its branches from a limited liability company to a Saudi closed joint stock company including its rights and obligations, as well as increasing its capital to SR 5 million by transferring SR 4 million from shareholders' accounts payable of the Company to the capital account, and the Company shall keep the same name, number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire share capital amounting to 500,000 shares with a nominal value of SR 10 each.

On 15 Shawwal 1442H (corresponding to 27 May 2021), the extraordinary general assembly of shareholders approved the decision of the board of directors to increase the share capital to become SR 96,000,000 by issuing new shares against transferring an amount of SR 63,500,000 from the retained earnings, an amount of SR 26,000,000 from due to related parties accounts (shareholders), and an amount of SR 1,500,000 from the statutory reserve account.

On 2 Jumadah II 1443H (corresponding to 5 January 2022), the Company's shares were listed and started trading in the Parallel Market in the Kingdom of Saudi Arabia (Nomu) under code (9526). The Company's share capital has increased after the completion of the public offering from SR 96 million (divided into 192 million shares) to SR 104 million (divided into 208 million shares) through issuing 17,8 million shares at a nominal per value of SR 8,9 million. (note 12)

1- Organization and activities (continued)

The accompanying consolidated financial statements include the financial statements of Jahez International Company for Information Systems Technology and its subsidiaries (collectively referred to as the "Group"), as follows:

			% of ownership	
	Legal entity	**Country of Incorporation**	**31 December 2023**	31 December 2022
Joint Preparation Company for Meals	Limited Liability Company	Kingdom of Saudi Arabia	**60%**	60%
PIK Options Trading Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	**100%**	100%
Supportive Solutions Company for Logistic Services	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	**100%**	100%
The Red Color Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	**100%**	100%
Jahez International Company	(A Limited Liability Company)	Kingdom of Bahrain	**100%**	100%
Jahez International Company for Wholesales and Retail Trading	A Single Shareholder Limited Liability Company	Kuwait	**100%**	100%
Blu Store Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	**51%**	51%
Marn Business Information Technology Company	Limited Liability Company	Kingdom of Saudi Arabia	**100%**	--
Jahez for Information Technology	(A Limited Liability Company)	Egypt	**100%**	--
Jahez International Company for Information Systems Technology	(A Limited Liability Company)	Qatar	**100%**	--
SOL Company for Trading	Limited Liability Company	Kingdom of Saudi Arabia	**35%**	--

Information about subsidiaries:

Joint Preparation Company for Meals:
On 20 July 2020, the Company signed an acquisition agreement to acquire shares that represent 60% of share capital of Joint Preparation Company for Meals (a limited liability company) amounting to SAR 25,000 million where the cost of the acquisition amounted to SAR 2,4 million. On 7 September 2020 (corresponding to 19 Muharram 1442H), The Company's Articles of Association and shareholding pattern have been amended to reflect the impact of the acquisition. The Company is engaged in the food service activities.

PIK Options Trading Company
On 5 November 2020, the Company incorporated a wholly owned subsidiary which is PIK Options Trading Company (a single shareholder limited liability company). The company's capital is SR 1,000,000. The company is engaged in online retail sales

Supportive Solutions Company for Logistic Services
On 8 February 2021, the Company incorporated a wholly owned subsidiary, which is Supportive Solutions Company for Logistic Services (a single shareholder limited liability company). The Company's capital is SR 1,000,000. The Company is engaged in directing vehicles, transporting goods, and providing delivery services via e-platforms.

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

The Red Color Company
On 8 February 2021, the Company incorporated a wholly owned subsidiary, which is the Red Color Company (a single shareholder limited liability company). The Company's capital is SR 10,000. The Company is engaged in other financial services activities, with the exception of insurance and pension financing.

Jahez International Company for Information Systems Technology
On 25 November 2021, the Company incorporated Jahez International Company for Information Systems Technology (a limited liability company) a wholly owned subsidiary in the Kingdom of Bahrain. The Company's capital is BHD 50,000 equivalent to SR 497,345. The Company is engaged in food delivery, online selling, and call centers' activities.

Jahez International Company for Wholesales and Retail Trading
On 1 August 2022, the Company incorporated Jahez International Company for Wholesales and Retail Trading (a single shareholder limited liability company) a wholly owned subsidiary in Kuwait. The Company's capital is KWD 100,000 equivalent to SR 1,223,440. The Company is engaged in retail and wholesale trading.

Blu Store Company
On 11 August 2022, the Company incorporated Blu Store Company (a limited liability company). The Company holds 51% shareholding, and the Blu Store Company's capital is SR 500,000. The company is engaged in retail sale of apparel, shoes and leather items in specialized stores.

Marn Business Information Technology Company
On 28 September 2022, the Company signed an agreement to acquire shares that represent 100% of share capital of Marn Business Information Technology Company (A Single Shareholder Limited Liability Company) amounting to SR 1,000,000 and the cost of the acquisition was SR 60 millions. On 9 Jumada II 1444H (corresponding to 2 January 2023), the Articles of Association of Marn Business Information Technology Company and its shareholding structure have been amended to reflect the impact of the acquisition. The Marn Business Information Technology Company is primarily engaged in designing and developing special software, whole selling of software, including importing as well as retail selling of computers and its accessories (including printers and their inks) and retail selling of software.

Jahez For Information Technology
On 30 July 2023 the Company established a wholly owned subsidiary in Egypt (limited liability company). The company's capital is EGP 10,000, equivalent to SAR 1,215. Jahez International for Information Systems Technology is engaged in software development, database management, and application design.

Jahez International Company for Information Systems Technology
On 3 August 2023 the Company established a wholly owned subsidiary in Qatar (limited liability Company), the share capital is QAR 500,000**,** equivalent to SAR 514,930. Jahez International Company for Information Systems Technology activities include online commerce and delivery of consumer goods.

SOL Company for Trading
On 13 Jumada al akhira 1445H (corresponding to 26 December 2023), the Company signed an agreement to acquire shares that represent 35% of share capital of SOL Company for Trading (A Limited Liability Company) amounting to SR 35,000 and the cost of the acquisition was SR 5 millions. On 10 Jumada II 1445H (corresponding to 23 December 2023), the Articles of Association of SOL Company for Trading and its shareholding structure have been amended to reflect the impact of the acquisition. Sol Company for Trading is primarily engaged in refrigerated food stores, hygiene suppliers stores, frozen food stores and dry food stores.

2- BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements include the financial information of the Company and its subsidiaries (collectively referred to as “the Group”). These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The principal accounting policies applied in preparing these consolidated financial statements have been consistently applied to all the periods presented.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law”) came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management has assessed the impact of the New Companies Law and amended its bylaws for any changes to align the company’s by law with the new Law after the approval of the Extraordinary General Assembly for the meeting held on 15 Jamada Alawal (Corresponding to 29 November 2023), The management estimated that the application of the new bylaw has no significant impact on the Group’s consolidated financial statements as at 31 December 2023.

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost convention, unless otherwise stated, using the accruals basis of accounting and the going concern concept.

2.3 Functional and presentation currency

The consolidated financial statements of the Company are presented in Saudi Riyals (SR) which is the Group’s functional and presentation currency.

2.4 New standards and amendments issued

Several amendments and interpretations apply for the first time in 2023, which are effective for annual periods beginning on or after 1 January 2023 which do not have a material effect on these consolidated financial statements except for amendments to IAS 1 “Disclosure of Accounting Policies” the effect of which have been reflected in these consolidated financial statements.

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB in 2023.

Effective date	New accounting standards or amendment
1 January 2023	IFRS 17 Insurance contract Disclosure of accounting policies – Amendments to IAS 1 and IFRS practice statement 2 Definition of accounting estimates- Amendments to IAS 8 Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12
23 May 2023	International Tax Reform – Pillar two model rules - Amendment to IAS 12

2- BASIS OF PREPARATION (CONTINUED)

2.4 New standards and amendments issued (Continued)

New requirements that will be applied subsequently:

Effective date	New accounting standards or amendment
1 January 2024	Non-current Liabilities with Covenants -Amendments to IAS 1 and classification of liabilities as Current or Non-current –Amendments to IAS 1 Lease Liability in a Safe and Leaseback -Amendments to IFRS16 Supplier finance Arrangements-Amendments to IAS 7 and IFRS 7
I January 2025	Lack of Exchangeability - Amendments to IAS 21
Available for optional adoption/effective date deferred indefinitely	Safe or Contribution of Assets between an Investor and its Assonate or Joint Venture -Amendments to IFRS 10 and /IAS 28

The management estimated that the application of the new standards and amendments has no significant impact on the Group's consolidated financial statements as at 31 December 2023.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those on which the estimates were based.

The estimates and underlying assumptions have been reviewed on an ongoing basis and adjustments to accounting estimates are recognized in the period in which the estimates are revised if the adjustment affects only that period, or in the period of the adjustment and future periods if the adjustment affects both current and future periods.

The Group bases its assumptions and estimates on information available when preparing the consolidated financial statements. The assumptions and current conditions of future developments, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in assumptions when they occur.

Employees' benefits

Employees' benefits cost and present value of the liability is determined using an actuarial valuation involves making various assumptions which may differ from actual developments in the future. Such assumptions include determination of discount rate, future salary increases and mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is the factor most subject to changes and when determining the appropriate discount rate, the management considers the interest rates of corporate bonds in currencies consistent with the currencies of the end-of-service benefits obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency to correspond with the expected term of the defined benefit obligation.

2- BASIS OF PREPARATION (CONTINUED)

2.5 Significant accounting judgments, estimates and assumptions (Continued)

Employees' benefits (Continued)

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

Provision for expected credit loss (ECLs) on accounts receivable

The Group uses a model in estimating lifetime ECLs that have not been credit-impaired or credit-impaired based on a change in the credit risk associated with the financial instrument.

Trade receivables are combined based on the common credit risk characteristics and the days in which they are due to measure the ECLs. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic activity indicators affecting the ability of the customers to settle the receivables.

Lease's discount rate

The management of the Group uses estimates in determining the incremental borrowing rate in computing the present value of minimum lease payments, as well as the expected lease term in the event of extension options.

Revenue recognition

Whether revenue is recognised over time or at a point in time, revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

Impairment test of intangible assets and goodwill

key assumptions underlying recoverable amounts, including the recoverability of development costs;

Consolidation whether the Group has defacto control over an investee;

Subsidiaries are entities controlled by the Group. The Group 'controls' is an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3- MATERIAL ACCOUNTING POLICES

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Group adopted the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

a) Basis of consolidation

a.1 Business combinations

The Group accounts for business commotions under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentrations test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent change in the fair value of the contingent consideration are recognized in profit or loss.

If share- based payment awards (replacement awards} are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

a.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3- MATERIAL ACCOUNTING POLICES (CONTINUED)

a) Basis of consolidation (Continued)

a.3 Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

a.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

b) Property and equipment

Property and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of an asset. Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in the consolidated statement of profit or loss when incurred.

Depreciation is charged to the consolidated statement of profit or loss and is calculated on the straight-line basis over the estimated useful lives of individual item of property and equipment. The estimated useful lives of assets will be depreciated as follows:

	Years
Tools and instruments	4
Computers	4
Furniture and fixtures	4
Electric equipment	4
Central kitchens	10
Decorations and leasehold improvements	10
Motor vehicles	4

Depreciation methods, rates and residual values are reviewed annually and are adjusted if the current method and the estimated useful life or the residual value is different from the estimated in past. The effect of such changes is recognized in the consolidated statement of profit or loss prospectively.

Major renovations and improvements are capitalized if they extend the productivity or the operating useful life of the property and equipment.

Minor repairs and improvements are charged as expenses when incurred. Gains or losses resulting from disposal of property and equipment, which represent the difference between proceeds from sale and the carrying amount of assets, are recognized in the consolidated statement of profit or loss.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Computers software

Computer software licenses acquired from third parties are initially recognized at cost. Costs directly associated with the production of internally developed software, where it is probable that the software will generate future economic benefits, are recognized as intangible assets.

Capital work under development related to the development of intangible assets is stated at cost less accumulated losses, if any, and is not depreciated until the asset is available for use. Depreciation is charged to the consolidated statement of profit or loss and calculated using the straight-line basis over the estimated useful life of four years.

Goodwill
Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated in1pairment losses.

b) Inventory

Inventories are measured at the lower of cost or net realizable value. The cost of inventory is determined on the basis of the first-in-first-out method. Cost includes expenses incurred in acquiring the inventory, shipping, transportation, and insurance costs, custom duties, and any other direct expenses related to the acquisition of the inventory.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of making the sale.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term liquid investments with original maturities of three month or less, if any, which are available to the Company without any restrictions.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most appropriate market for the asset or liability.

The principal or the most appropriate market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset’s highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is disclosed as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities can be obtained at the measurement date.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs).

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments

Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investments; FVOCI – equity investments; or FVTPL.
A financial asset is measured at amortized cost if it meets both of the following conditions and is not classified at fair value through profit or loss.

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of investments in equity instruments that are not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The financial assets (unless they are receivables without a significant financing component that is initially measured at the transaction price) are initially measured at fair value, for an item not at FVTPL, plus transaction costs that are directly attributable to their acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Investments in debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Impairment of financial assets

The financial assets recognized at amortized cost consist of trade receivables, cash and cash equivalents, deposits with financial institutions and other receivables.

Loss provisions are measured on the bases of ECLs over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument.

'The Group measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all value shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For trade receivables, the Group applies the simplified approach to estimate ECLs.

Presentation of impairment

Impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are impaired. A financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss provisions for financial assets are deducted from the gross carrying amount of the assets.
Impairment losses related to trade receivables, if any, are presented in the consolidated statement of profit or loss under a separate item.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities are classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or losses on derecognition are also recognized in profit or loss.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Derecognition

Financial assets

A financial asset (or part of a group of similar financial assets) is disposed mainly (i.e. disposed from the statement of financial position) in the following cases:

- When the contractual rights to the cash flows from the financial asset expire;
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

Financial liabilities

The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expired. The Group also derecognizes financial liabilities when the terms and cash flows of the modified obligation are substantially modified, in which case a new financial liability is recognized based on the modified terms at fair value.

On disposal of a financial liability, the difference between the amortized carrying amount and the amount paid (including any non-cash assets transferred or charged liabilities) is recognized in the consolidated statement of profit or loss.

The Group has no debt investments at FVOCI or equity investments at FVOCI.

h) Employees' benefits

Short-term benefits

Short-term employees benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

The Group operates a defined benefit plan for its employees in accordance with Saudi Labor and Workman Law as defined by the conditions set out in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method. Employees' benefits obligation plans are not funded. Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method and the liability is recorded based on an actuarial valuation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Employees' benefits (Continued)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

The interest cost is calculated by applying the discount rate to the balance of the defined benefits obligations. This cost is included in employee benefit expense in the consolidated statement of income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

i) Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate for the consideration required to settle the present obligation at the end of reporting date taking into account risk and doubts specific to liability.

When the Group expects to pay some or all of the provisions (for example, insurance contracts, compensation terms or supplier guarantees), the payment is recognized as a separate asset. When payment is almost certain, expenses relating to provision are recognized in the consolidated statement of profit or loss, net of any compensation.

In case the effect of the time value of money is of relative importance, the provisions are determined by discounting estimated cash flows by pre-tax rate that reflects current market assessments for time value of money and risks related to the obligation. The unwinding of the discount is recognized as finance cost.

j) Contingent liabilities

These are probable obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or present obligation not recorded because the need for flow of resources to settle the obligation is not probable. In case the amount of the obligation cannot be measured with sufficient reliability, this amount is not recognized as contingent liabilities but disclosed in the consolidated financial statements.

k) Foreign currency transactions

Transactions denominated in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the financial position date are translated to Saudi Riyals at the foreign exchange rate ruling at that date. Gains or losses arising on exchanges are recognized in the consolidated statement of profit or loss currently.

l) Expenses

Advertising and publicity expenses are those arising from the Group's efforts underlying the marketing functions. All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses and research and development expenses. Allocations of common expenses between cost of revenue and general and administrative expenses and research and development expenses, when required, are made on a consistent basis.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) Zakat

Provision for Zakat is calculated at the date of the consolidated statement of financial position in accordance with regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia ("ZATCA"). The resulting provision is recorded in the consolidated statement of profit or loss. Additional Zakat liability, if any, related to prior years' assessments arising from ZATCA are recognized in the period in which the final assessments are finalized.

n) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

The Group recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contracts with a customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Identify the transaction price	The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price	For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Revenue recognition	The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

<u>Commissions revenue and revenue from delivery services</u>

Revenue is recognized when the delivery service is performed to the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations and is stated net of discounts and compensation offered to the customer.

The control for commission revenue is passes at point in time when the merchant accepts the order, the control over the delivery services passes at point in time when the order is delivered.

<u>Revenue from e-payment fees</u>

Revenue is recognized when the collection service is performed on behalf of the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is stated at net after discounts and compensation offered to the customer, if any.

The control for e-payment fees revenue is passes at point in time when the merchant accepts the order.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

n) Revenue recognition (Continued)

Advertising and marketing revenue

Revenue associated with advertising and marketing services are recognized over time by measuring the Company's progress towards satisfaction of a performance obligation using output method.

Other revenue

Revenue is recognized upon fulfilment of the obligation to the customer and are stated net of discounts and rebates, if any.

Variable consideration

Any voucher, cash back and customer compensations are treated as a reduction in revenue. If the transaction price includes a variable amount, the transaction price is estimated and recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

o) Leases

Determining whether an arrangement contains a lease or not depends on the core of the arrangement at its inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

At the commencement date, the Group shall assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

a. The right to obtain substantially all of the economic benefits from use of the identified asset.
b. The right to direct control over the use of the specified asset.

The Group shall recognize a right-of-use asset at the commencement date (i.e. the date on which the underling asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in decommissioning and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received. The estimated useful life for right-of-use asset based on the lease term.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The Group shall discount lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be easily determined, the Group should use the incremental borrowing rate.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

o) Leases (continued)

Group as a lessee

After the commencement date, a lessee shall measure the lease liability by:

a. Increase the carrying amount to reflect the interest rate on the lease liabilities;
b. Reduce the carrying amount to reflect the lease payments made; and
c. Remeasure the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments that are remeasured when there is a change in future lease payments arising from a change in index or a rate, or if there was a change in the Group’s estimate of the amount expected to be payable by the lessee under residual value guarantees, or if the Group changed its assessment whether if it will choose the purchase, extension or termination.

Any remeasurement is settled in the lease liability against the carrying amount of right-of-use asset or charged to the statement of income if the carrying amount of the related asset is Zero.

Short-term leases

The Group elected not to recognize right-of-use assets and lease liabilities for the short-term leases for which their terms are 12 months or less. The Group recognizes lease payments associated with those leases as expenses on a straight line basis over the lease term.

Extension options

In case of leases that provide extension options, the Group assesses whether if it is reasonably certain, at commencement date, that the extension options will be exercised. The Group reassesses whether it is reasonably certain to exercise the options if there was a significant event or major change in the circumstances that fall under its control.

p) Segments Reporting

An operating segment is a part of the Group's business activities from which revenue can be recognized and expenses are incurred and includes income and expenses relating to transactions with any of the other components. All operational results of the operating segments are reviewed by the operating decision makers to make decisions about the resources to be allocated to the segment and to assess its performance, which have separate financial information.

q) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of the ordinary shares outstanding during the period. Diluted earnings per share is determined by the weighted average number of ordinary shares outstanding, adjusted for the number of expected vested shares granted for share based payment program.

r) Projects in progress

Capital work-in-progress is stated at cost. Upon implementation, capital work in progress is transferred to the appropriate asset class within property, equipment, and intangible assets, and is depreciated and amortized in accordance with the Group’s policies.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

s) Share-based payments

Employees of the Company (including senior executives) will be awarded incentives under share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) or cash equivalents of the shares fair value (i.e., cash-settled transactions) The Company measures the cost of cash-settled transactions by reference to the fair value of share options under share-based payment arrangements. For share-based payment transactions, this valuation refers to the fair value at the vesting date. For cash-settled transactions, this refers to the fair value at each reporting date using an appropriate valuation model. For more details, see note (14).

That cost is recognized in expenses, together with a corresponding increase in equity (Share-based payment reserve), for equity-settled transactions or together with increase in cash-settled transactions liability during the period which the service was provided and fulfillment of performance conditions (if any) where appropriate (vesting period). The cumulative expense recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the vesting date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the vesting date fair value. Any other conditions attached to an award, but without a required service, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognized is the vesting date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. For cash-settled transactions, the fair value remeasurement at each reporting date is considered to be the opposite of the modified conditions and circumstances (except for market conditions). Under equity-settled transactions, where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately in the statement of profit or loss and other comprehensive income.

Pursuant to the grant letters signed by the Chairman of the Board of Directors and employees, and the Share-based Payment Program Policy, the Board of Directors has the right at any time to make a decision to settle the consideration with grants by equity instruments (i.e., equity-settled transactions) or cash equivalent of shares fair value (ie., cash-settled transactions).

The Company's management determined the accounting treatment by settling the consideration with grants by equity instruments, and accordingly that cost was recognized under the expenses with a corresponding increase in equity (the share-based payment program).

(Saudi Riyal)

4- PROPERTY AND EQUIPMENT

	Tools and instruments	Computers	Furniture and fixtures	Electric equipment	Central kitchens	Decorations and leasehold improvements	Motor vehicles	Projects under construction	Total
Cost									
Balance as at 1 January 2022	**145,388**	**2,644,009**	**2,165,511**	**1,356,488**	**1,202,275**	**3,364,542**	**138,352**	**772,023**	**11,788,588**
Additions	1,300	3,142,096	1,341,343	3,926,916	5,816,802	9,959,016	622,670	12,355,332	37,165,475
Transferred from projects under construction	--	--	--	--	--	801,992	--	(801,992)	--
Balance as at 31 December 2022	**146,688**	**5,786,105**	**3,506,854**	**5,283,404**	**7,019,077**	**14,125,550**	**761,022**	**12,325,363**	**48,954,063**
Additions	276,955	6,946,560	2,172,777	2,654,156	8,727,131	2,142,186	669,015	--	23,588,780
Transferred from projects under construction	--	--	--	--	--	325,210	--	(325,210)	--
Balance as at 31 December 2023	**423,643**	**12,732,665**	**5,679,631**	**7,937,560**	**15,746,208**	**16,592,946**	**1,430,037**	**12,000,153**	**72,542,843**
Accumulated depreciation:									
Balance as at 1 January 2022	90,507	1,014,310	1,204,163	568,025	127,479	998,533	2,557	--	4,005,574
Depreciation for the year	22,598	983,569	497,556	462,779	680,385	1,824,918	121,013	--	4,592,818
Balance as at 31 December 2022	**113,105**	**1,997,879**	**1,701,719**	**1,030,804**	**807,864**	**2,823,451**	**123,570**	**--**	**8,598,392**
Depreciation for the year	64,186	2,333,947	845,496	924,727	4,084,383	1,519,718	332,764	--	10,105,221
Balance as at 31 December 2023	**177,291**	**4,331,826**	**2,547,215**	**1,955,531**	**4,892,247**	**4,343,169**	**456,334**	**--**	**18,703,613**
Net book value:									
As at 31 December 2023	**246,352**	**8,400,839**	**3,132,416**	**5,982,029**	**10,853,961**	**12,249,777**	**973,703**	**12,000,153**	**53,839,230**
As at 31 December 2022	33,583	3,788,226	1,805,135	4,252,600	6,211,213	11,302,099	637,452	12,325,363	40,355,671

* Projects in construction mainly include cloud kitchens projects to extend the operation of the group.

(Saudi Riyal)

5- INTANGIBLE ASSETS AND GOODWILL

	31 December 2023	31 December 2022
Software and Intellectual property rights (note 5.1)	**14,558,495**	5,724,786
Goodwill (note 5.2)	**66,443,862**	--
	81,002,357	5,724,786

5.1 Software and Intellectual property rights

	Software	**Intellectual property rights**	**Projects in progress**	**Total**
Cost				
Balance as at 1 January 2022	**7,369,767**	--	**1,049,262**	**8,419,029**
Additions	1,183,232	500,000	1,279,324	2,962,556
Balance as at 31 December 2022	**8,552,999**	**500,000**	**2,328,586**	**11,381,585**
Additions	13,940,855	--	988,943	14,929,798
Balance as at 31 December 2023	**22,493,854**	**500,000**	**3,317,529**	**26,311,383**
Accumulated Amortization				
Balance as at 1 January 2022	**4,558,964**	--	--	**4,558,964**
Amortization for the year	993,669	104,166	--	1,097,835
Balance as at 31 December 2022	**5,552,633**	**104,166**	--	**5,656,799**
Amortization for the year	5,971,089	125,000	--	6,096,089
Balance as at 31 December 2023	**11,523,722**	**229,166**	--	**11,752,888**
Net carrying amount				
As at 31 December 2023	**10,970,132**	**270,834**	**3,317,529**	**14,558,495**
As at 31 December 2022	3,000,366	395,834	2,328,586	5,724,786

5.2 Goodwill

The goodwill relates to the acquisition of Marn Business Information Technology Company in 2023 and SOL Company for Trading (note 32).

	Marn Business Information Technology Company	**SOL Company for Trading**
Cost		
Balance as at 1 January 2022	--	--
Balance as at 31 December 2022	--	--
On acquisition of subsidiary	62,353,937	4,089,925
Balance as at 31 December 2023	**62,353,937**	**4,089,925**
Accumulated Impairment		
Balance as at 1 January 2022	--	--
Balance as at 31 December 2022	--	--
Balance as at 31 December 2023	--	--
Net carrying amount		
As at 31 December 2023	**62,353,937**	**4,089,925**
As at 31 December 2022	--	--

(Saudi Riyal)

5- INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

5.2 Goodwill (Continued)

Marn Business Information Technology Company

Goodwill is subject to annual impairment testing. Assets are tested for impairment by comparing the carrying amount of each CGU to the fair value amount which has been determined based on fair value calculation using cash flow projections based on financial forecasts approved by management covering a six-year period. The discount rate is applied to cash flow projections for respective CGUs that varies in the range of 33% to 35%.

The calculation of fair value is most sensitive to the assumptions on sales growth rates and discount rates.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Sales growth rate	Average annual growth rate over the Six-year forecast period; based on past performance and management's expectations of market development
Discount rate	A discount rate, namely weighted average cost of capital (WACC), is applied for specific business areas based on assumptions regarding interest rates and risk premiums and is recalculated to a ('Discount rate')

Assumptions used for fair value calculations is most sensitive were:

Sensitivity to Changes in Assumptions

The implications of changes to the key assumptions are discussed below:

(a) Sales Growth Assumption

The sales growth in the forecast period of six years has been estimated to be a average annual growth rate of 137%. If all other assumptions kept the same; a reduction of this growth rate by 10% would give a fair value exceed the current carrying amount.

(b) Discount rate

The Pre-tax discount rate in the forecast period has been estimated to be 34%. If all other assumptions kept the same; an increase of this discount rate to 44% would give a fair value exceed the current carrying amount.

SOL Company for Trading

On 26 December 2023, the Group completed the process and legal formalities of the acquisition of 35% of the shares of SOL Company for Trading (limited liability company) for cash consideration of SAR 5 Million. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the "Standard"). As required by the Standard, the Group is currently in the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities acquired. The Group has, however, accounted for the acquisition based on provisional fair values of the acquired assets and assumed liabilities as at the acquisition date. Adjustment to the provisional values will be finalized within twelve months of the date of acquisition as allowed by the Standard.

(Saudi Riyal)

6- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Buildings	Motor vehicles	Lands	Total
Cost				
Balance as at 1 January 2022	**12,668,711**	**17,679,324**	**--**	**30,348,035**
Additions	28,716,419	95,340,098	186,716	124,243,233
Balance as at 31 December 2022	**41,385,130**	**113,019,422**	**186,716**	**154,591,268**
Additions	19,312,440	48,374	--	19,360,814
Disposals	(4,727,569)	(15,266,923)	(186,716)	(20,181,208)
Balance as at 31 December 2023	**55,970,001**	**97,800,873**	**--**	**153,770,874**
Depreciation				
Balance as at 1 January 2022	2,896,946	349,742	--	3,246,688
Depreciation for the year	5,038,705	12,752,946	48,427	17,840,078
Balance as at 31 December 2022	**7,935,651**	**13,102,688**	**48,427**	**21,086,766**
Depreciation for the year	12,375,990	33,637,449	--	46,013,439
Disposals	(2,097,387)	(8,098,375)	(48,427)	(10,244,189)
Balance as at 31 December 2023	**18,214,254**	**38,641,762**	**--**	**56,856,016**
Net carrying amount				
As at 31 December 2023	**37,755,747**	**59,159,111**	**--**	**96,914,858**
As at 31 December 2022	33,449,479	99,916,734	138,289	133,504,502

	For the year ended 31 December	
Amounts recognized in the consolidated statement of profit or loss and other comprehensive income	**2023**	2022
Depreciation of right-of-use assets	**46,013,439**	17,840,078
Interest expense on lease liabilities	**5,459,296**	3,155,960

Lease liabilities

	For the year ended 31 December	
	2023	2022
Balance as at 1 January	**129,001,911**	26,165,156
Additions during the year	**19,307,092**	124,243,233
Paid during the year	**(37,103,596)**	(24,562,437)
Disposals during the year	**(20,691,641)**	--
Annual interest cost	**5,459,296**	3,155,959
Balance as at 31 December	**95,973,062**	129,001,911

Lease liabilities recognized in the consolidated statement of financial position	**31 December 2023**	31 December 2022
Current	**32,971,145**	32,168,120
Non-current	**63,001,917**	96,833,791
Total lease liabilities under right-of-use assets	**95,973,062**	**129,001,911**

(Saudi Riyal)

7- INVESTMENTS AT FVTPL

The Company's investments represent equity shares in non-listed company "HALALAH COMPANY LTD" "OMNIFUL, INC.","PARCEL HOLDING COMPANY W.L.L", "REDBOX TECHNOLGIES GLOBAL" and "SOUM and convertible debt instruments into equity shares in "BONAT HOLDING LTD", "NANA DIRECT COMPANY","CLOUDSHELF" and "BARQ HOLDING LTD"

Movement in investments is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	**22,728,737**	19,837,032
Additions during the year	**58,040,982**	1,125,000
Fair value differences	**3,326,897**	1,766,705
Balance at the end of the year	**84,096,616**	22,728,737

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	**Approach used to determine values**
Growth/ Sales Multiplier	Economic factor that, when increased or changed, causes increases or changes in value or sales economic variables.
Discount for Lack of Marketability (DLOM)	A fixed percentage to reduce an asset or investment value due to its limited marketability or liquidity.
Discount for Lack of Control (DLOC)	A fixed percentage to reduce the value of minority shares since the minority shareholder does not have controlling ownership interest in a company

Assumptions used for fair value calculations to which the fair value is most sensitive were:

Sensitivity to Changes in Assumptions

The implications of changes to the key assumptions are discussed below:

(a) Sales Growth multiplier
The sales growth multiplier has been estimated to be a compound annual growth rate between 3x to 4.5x.

(b) Discount for Lack of Marketability (DLOM)
The discount for Lack of Marketability (DLOM) rate in the forecast period has been estimated to be between 17% to 20%.

(c) Discount for Lack of Control (DLOC)
The discount for Lack of Control (DLOC) rate in the forecast period has been estimated from 11% to 18%.

(Saudi Riyal)

8- TRADE RECEIVABLES

	31 December 2023	31 December 2022
Trade receivables	**30,036,991**	22,759,260
Related parties (note 19)	**6,388,408**	17,130
	36,425,399	22,776,390

	31 December 2023	31 December 2022
Trade receivables	**36,096,842**	23,788,440
Less: provision for impairment loss on trade receivables	**(6,059,851)**	(1,029,180)
	30,036,991	22,759,260

The movement in provision for impairment loss on trade receivables is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	**1,029,180**	4,785,006
Provided/(Reversal) during the year	**5,030,671**	(3,755,826)
	6,059,851	1,029,180

9- PREPAID EXPENSES AND OTHER RECEIVABLES

	31 December 2023	31 December 2022
Prepaid expenses	**58,499,673**	65,231,190
Staff advances and custodies	**1,326,304**	1,477,414
Deposit of letters of guarantee	**--**	2,250,000
Other	**12,248,603**	13,225,957
	72,074,580	82,184,561

10- CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Current accounts with banks*	**558,340,581**	602,173,952
Short term deposits **	**550,000,000**	300,000,000
Cash in hand	**718,940**	511,790
	1,109,059,521	902,685,742

* Current accounts with banks include amounts collected on behalf of customers and are settled against the balance of proceeds due to customers on a weekly basis (note 16).

** The short term deposits carry a constant rate of return (from 4% to 8%) and a maturity less than three months.

11- DEPOSITS WITH FINANCIAL INSTITUTIONS

This includes the investment in term deposit certificates (Murabaha) of financial institutions with maturity of more than 3 months and less than 12 months at the rate of (from 4% to 8%) annually (31 December 2022: from 3% to 5%).

12- SHARE CAPITAL

Listing and commencement of trading of the Company's shares in the parallel market
On 2 Jumadah II 1443H (corresponding to 5 January 2022), the Company's shares were listed and started trading in the Parallel Market in Kingdom of Saudi Arabia (Nomu) under code (9526). The Company's share capital has increased after the completion of the public offering from SR 96 million (divided into 192 million shares) to SR 104 million (divided into 209.8 million shares) through issuing 17.8 million shares at a par value of SR 8,9 million. The share value on the issue date was SR 42.5 and the movement in share capital and share premium is as follows:

	Number of shares	Share capital (Saudi Riyal)	Share premium (Saudi Riyal)
Balance at 1 January 2022	192,000,000	96,000,000	--
Issuance of new shares at SR 42.5 per share (SR 0.5 par value)	17,836,060	8,918,030	749,114,520
Transaction costs on new share issue	--	--	(10,339,835)
Additional contributions from Company's shareholders	--	--	1,400,819
Balance at 31 December 2022	**209,836,060**	**104,918,030**	**740,175,504**

Treasury shares
On 22 Jumada I 1443H (corresponding to 26 December 2021), the Company entered into an agreement to purchase 3.8 Million shares of its shares from the Company's shareholders (2.3 Million shares of its shares owned by ALAMAT International Company and 1.5 Million shares of its shares owned by Hefz Osool Ta'atheer Company for Communications and Information Technology) at a cost of SR 0.5 per share, with a cash consideration of SR 1,9 million. The shares were allocated at the time of completion of the public offering process which is mentioned above, the Company held these shares as treasury shares to support future employees long term incentive scheme (note 14).

13- STATUTORY RESERVE

On 15 Jamada Alawal 1445H (corresponding to 29 November 2023) the Extraordinary General Assembly approved amendment of the Company's Bylaws in accordance with the new Companies Law which became effective as at 19 January 2023. As per the new Company's Bylaws and in light of the new Companies Law and the amended by laws, the company is not required to transfer net profit to statutory reserve.

14- SHARE-BASED PAYMENTS PROGRAM

The Company granted share-based payments arrangements to employees at the beginning of April 2022. On 8 June 2021, the Board of Directors proposed shares options program which was approved by the shareholders on 9 June 2021. This plan objective is to distribute 3.8 Million treasury shares purchased by the Company from the Company's shareholders under purchase of shares contract dated on 26 December 2021 concluded on 5 January (2.3 Million shares of its shares owned by ALAMAT International Company and 1.5 Million shares of its shares owned by Hefz Osool Ta'atheer Company for Communications and Information Technology). The shares options will be granted through the plan in five cycles commencing on 1 April 2022, 1 April 2023, 1 April 2024, 1 April 2025 and 1 April 2026.

(Saudi Riyal)

14- SHARE-BASED PAYMENTS PROGRAM (CONTINUED)

The Company formulated the grant agreement for the first cycle and it was signed by the Company and the employees on 1 April 2022, which is the grant date of the first cycle of shares options. The condition associated with realizing shares options under the first is the employee's two-year service condition, which will be completed on 31 March 2024. At the end of the vesting period, the Company may elect to issue shares or cash equivalent to the fair value through the shares at the end of the vesting period.

During 2022, the Company has granted Tier 1 of the program as the following:

First Cycle	**Tier 1**
Grant date	1 April 2022
Total number of shares granted	528,800
The average fair value per share on grant date (*)	55.83 SAR
Vesting date	31 March 2024
Settlement method	Equity

(*) The options are valued at the fair value on the grant date of first cycle on 1 April 2022, using the Black Scholes method which takes into account the exercise price, option term, effect of reduction (where material), share price on the vesting date and expected fluctuation price of basic earnings per share, and expected dividend yield. Risk-free interest rate for the option term, contingencies and fluctuations for similar Group's companies. The fair value of the option as on 1 April 2022, based on the exercise price of SR 0.5 is SR 55.83.

The Company formulated the granting agreement for the second cycle and it was signed by the Company and the employees on 15 May 2023, which is the grant date of the second cycle of shares options. The condition associated with realizing shares options under the second cycle is the employee's two-year service condition, which will be completed on 14 May 2025. At the end of the vesting period, the Company may elect to issue shares or cash equivalent to the fair value through the shares at the end of the vesting period.

During 2023, the Company has granted Tier 2 of the program as the following:

Second Cycle	**Tier 2**
Grant date	15 May 2023
Total number of shares granted	668,920
The average fair value per share on grant date (*)	24.78 SAR
Vesting date	14 May 2025
Settlement method	Equity

(*) The options are valued at the fair value on the grant date of second cycle on 14 May 2023, using the Black Scholes method. The fair value of the option as on 14 May 2023, based on the exercise price of SR 0.5 is SR 24.78.

Total expenses related to the program for the year ended 31 December 2023 amounts SR 19.4 million, which were included in the expenses items in the consolidated statement of profit or loss and other comprehensive income, with the corresponding amount recorded in the share-based payments reserve item in the equity in accordance with the requirements of IFRS 2: share-based payments.

(Saudi Riyal)

15- EMPLOYEES' BENEFITS OBLIGATIONS

The Group has a post-employment defined benefit plan. The benefits are applicable under Saudi Labor Law. These benefits are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Kingdom of Saudi Arabia. The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and other comprehensive income and amounts recognized in the consolidated statement of financial position.

a) Changes in the present value of defined benefit obligations

Defined benefit obligations at 1 January 2022	**5,838,118**
Interest cost	186,300
Current service cost	5,388,426
Amount recognized in profit and loss	5,574,726
Re-measurements gains recognized in other comprehensive income	189,362
Benefits paid during the year	(712,817)
Defined benefit obligation at 31 December 2022	**10,889,389**
Additions from acquisitions	911,924
Interest cost	566,089
Current service cost	7,959,954
Amount recognized in profit and loss	8,526,043
Re-measurement loss recognized in other comprehensive income	(1,571,043)
Benefits paid during the year	(1,500,632)
Defined benefit obligations at 31 December 2023	**17,255,681**

b) Sensitivity analyses

The principal assumptions used in determining the post-employment defined benefit liability includes the following:

	31 December 2023	31 December 2022
Discount rate	**4.8%**	**5.2%**
Future salary increases	**4.0%**	**5.0%**

A quantitative sensitivity analysis for significant assumptions as at 31 December 2023 and 31 December 2022 is shown below:

	Discount rate	
	Increase by 1%	Decrease by 1%
Defined benefit obligations as at 31 December 2023	**15,592,517**	19,284,113
Defined benefit obligations as at 31 December 2022	**9,681,083**	12,366,576

	Salary increase rate	
	Increase by 1%	Decrease by 1%
Defined benefit obligations as at 31 December 2023	**19,361,263**	15,502,290
Defined benefit obligations as at 31 December 2022	**12,412,918**	9,622,338

The sensitivity analysis above has been based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the employees' benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

(Saudi Riyal)

16- PROCEEDS DUE TO CUSTOMERS

These amounts represent the value of proceeds due to customers less commission income and other income, and they are presented at net.

17- TRADE PAYABLE

	31 December 2023	31 December 2022
Trade payable	**76,674,274**	51,111,077
Related parties (note 19)	**6,899,099**	1,050,208
	83,573,373	52,161,285

18- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December 2023	31 December 2022
Accrued expenses	**70,804,517**	42,078,075
Third party deposits	**14,944,030**	15,000,659
Accrued employees' benefits	**30,037,176**	11,178,530
	115,785,723	68,257,264

19- RELATED PARTY TRANSACTIONS

In the ordinary course of its business, the Group transacts with the shareholders of the Group, Companies owned by the shareholders, and the key management personnel, as the Group enters into contracts to obtain services and pay the expenses on the companies owned by shareholders in subsidiaries' behalf. These transactions are carried out in accordance with the terms specified with the related parties. The following table shows the value of the transactions made during the period and the resulting balances:

Related party transactions
31 December 2023

Related party	**Nature of relationship**	**Nature of the transaction**	**Amount of transaction**
The Eight Creations Agency for Advertising	A Company owned by a shareholder in a subsidiary (Joint Preparation Company for Meals)	Advertisement and publicity services	1,576,478
Tharwa Holding Company	A Company owned by the Chairman of the Group	Leases and maintenance services	1,509,325
Halalah Trading Company	A Company owned by A Shareholder	Purchases invoices	145,107
AlHilal Investing Company	A Shareholder in a Subsidiary (Blu Store Company)	Collection on behalf of the company	17,386,812
		Purchase of goods	12,587,226
Dar AllFikrah	A Company owned by a family member of the Chairman of the Group	Construction Services	2,721,610
Halala International Transport Vehicles Steering Company	A Company owned by the deputy CEO	Logistics services	651,604
		Collection on behalf of the group	(433,887)

(Saudi Riyal)

19- RELATED PARTY TRANSACTIONS (CONTINUED)

Related party transactions
31 December 2023 (Continued)

Related party	Nature of relationship	Nature of the transaction	Amount of transaction
Nutria Restaurant *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
Raz Catering Company *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
The hundred Innovation institution for providing meals *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
Abdullah Suliman Alzamil *	A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
Hisham Abdu Al Hazza*	A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
Abdulaziz Talal Al Tamimi*	A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
RAZ holding company*	A Company owned by A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--

* On 26 December 2023, the Group acquired SOL Trading Company (Note 32.b), the balances are outstanding in SOL financial statements as at 31 December 2023, and during the period from acquisition date (26 December 2023) to Group financial statement date (31 December 2023), the Group do not have any transactions with the related parties.

Related party transactions
31 December 2022

Related party	Nature of relationship	Nature of the transaction	Amount of transaction
Al Joudah Al-Mahaliyah Limited Company	A Company owned by a shareholder in a subsidiary (Joint Preparation Company for Meals)	Collection on behalf	232,998
		Revenue from sale of services	46,000
		Revenue from contracting	41,034
The Eight Creations Agency for Advertising	A Company owned by a shareholder in a subsidiary (Joint Preparation Company for Meals)	Advertisement and publicity services	1,595,855
Talal bin Saud Al Arifi	A Company owned by a shareholder in a subsidiary (Joint Preparation Company for Meals)	Expenses paid On behalf of a subsidiary	1,887
Tharwa Holding Company	A Company owned by the Group Chairman	Leases and maintenance services	1,366,205
Halalah International Company	A company owned by the Group Vice CEO	Logistics services	6,391,146
		Payments on behalf of the Group	3,503,556
Halalah Trading Company	A Company owned by a Shareholder	Purchases invoices	106,674

(Saudi Riyal)

19- RELATED PARTY TRANSACTIONS (CONTINUED)

a) Due from related parties

	31 December 2023	31 December 2022
Tharwa Holding Company	**20,625**	5,625
ALAMAT International Company Limited	**2,547**	2,547
Halalah International Company	**--**	8,958
Nutria Restaurant	**820,460**	--
Raz Catering Company	**5,150,426**	--
The hundred Innovation institution for providing meals	**13,800**	--
Abdullah AlZamil	**330,000**	--
Hisham Abdu Al Hazza	**50,550**	--
	6,388,408	17,130

b) Due to related parties

	31 December 2023	31 December 2022
Halalah International Company	**--**	54,386
Halalah Trading Company	**--**	264,390
The Eight Creations Agency for Advertising	**71,875**	151,513
Abdulaziz bin Abdul Rahman Al-Omaran	**--**	36,000
Dar AlFikrah Company	**40,624**	543,919
AlHilal Investing Company	**6,336,892**	--
Hisham Abdu Al Hazza	**100,000**	--
Abdullah Suliman Alzamil	**7,267**	--
Abdulaziz Talal Al Tamimi	**327,982**	--
RAZ holding company	**14,459**	--
	6,899,099	1,050,208

Terms and conditions of transactions with related parties
Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at year-end arise in the normal course of business. For the years ended 31 December 2023 and 2022, the amounts owed by related parties are not impaired.

Compensation and benefits to key management personnel

	31 December 2023	31 December 2022
Salaries and short-term benefits	**8,958,733**	7,598,583
End-of-service benefits	**458,477**	407,861
Share based payment	**9,501,227**	5,588,741
Total compensation and benefits to key management personnel	**18,918,437**	13,595,185

(Saudi Riyal)

20- ZAKAT

a) Zakat status

During 2022, the Group registered a tax group, and it was approved by Zakat, Tax and Customs Authority ("ZATCA") to provide consolidated accounts for the Company and its subsidiaries inside the Kingdom of Saudi Arabia as at 25 Dhul- Hijjah 1443H (corresponding to 24 July 2022), except for the following companies, Joint Preparation Company for Meals, BLU Store Company, Marn Business Information Technology Company and SOL Company for Trading.

Jahez International Company for Information Systems Technology

The Group submitted it's Zakat returns for all the years up to the year ended 31 December 2022 to the Zakat, Tax and Customs Authority ("ZATCA"), and obtained a valid Zakat certificate up to 21 Shawwal 1445H (corresponding to 30 April 2024).

Zakat has been calculated based on Zakat base for which its components are as follows:

	For the year ended 31 December	
	2023	2022
Adjusted net income	**278,931,532**	86,428,698
Add:		
Share capital	**104,918,030**	96,000,000
Statutory Reserve	**18,420,724**	--
Capital increase	**--**	8,795,865
Share Premium	**740,175,505**	730,036,114
Employees' shares reserve	**11,896,912**	12,523,023
Treasury shares	**(1,920,000)**	--
Retained earnings	**131,634,562**	78,744,619
Non-controlling interests	**--**	1,048,659
Lease liabilities	**79,741,802**	129,001,911
End of service provision	**11,020,623**	10,286,494
Proceeds due to customers	**--**	118,800,899
Accrued expenses and other liabilities	**2,393,708**	--
Less:		
Property and equipment	**19,356,876**	40,355,671
Intangible assets	**10,605,571**	5,724,786
Right-of-use assets	**80,713,077**	133,504,503
Investments at FVTPL	**124,783,985**	10,650,000
Total	**862,822,357**	995,002,624
Zakat base	**1,168,564,753**	1,112,349,483
Zakat expense	**29,214,119**	27,808,737
Zakat (excess)/adjustments for prior years	**(2,148,489)**	495,705
Total Zakat expense	**27,065,630**	28,304,442

(Saudi Riyal)

20- ZAKAT (CONTINUE)

b) Zakat provision

Movement in Zakat provision is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	**27,808,737**	**4,491,618**
Provided for the year	**29,214,119**	**28,304,442**
Additions from acquisitions	**(319)**	**--**
Payments made during the year	**(25,611,850)**	**(4,987,323)**
Zakat excess for prior years	**(2,148,170)**	**--**
Balance at the end of the year	**29,262,517**	**27,808,737**

21- REVENUE

	For the year ended 31 December	
	2023	2022
Revenue from delivery fees	**1,043,998,059**	989,576,203
Revenue from commissions	**689,407,989**	534,226,310
Revenue from e-payment fees	**84,815,606**	72,522,725
Advertising and marketing revenue	**74,851,414**	70,026,807
Other revenue	**26,691,663**	5,319,450
Gross revenue	**1,919,764,731**	1,671,671,495
Customers' compensations	**(72,442,241)**	(41,775,506)
Promotional compensations	**(33,185,544)**	(25,493,258)
Cash back	**(29,381,663)**	(1,925,892)
Net revenue	**1,784,755,283**	1,602,476,839

21.2 Timing of revenue recognition

	For the year ended 31 December	
	2023	2022
Services delivered at a point in time	**1,683,212,206**	1,527,130,582
Services delivered over time	**101,543,077**	75,346,257
	1,784,755,283	1,602,476,839

22- COST OF REVENUE

	For the year ended 31 December	
	2023	2022
Cost of delivery - Delivery companies and freelancers	**970,928,288**	1,004,337,340
Network servers	**22,237,785**	13,928,536
Salaries, wages and employees' benefits	**207,553,697**	102,022,856
Consumables	**5,244,146**	6,076,114
Delivery platform	**30,055,037**	25,507,957
Depreciation and amortization	**36,268,057**	16,749,797
Platform services	**61,111,315**	41,919,011
Cost of goods sold	**6,774,177**	--
Other Drivers related Cost	**11,150,327**	--
Other	**27,554,931**	32,755,391
	1,378,877,760	1,243,297,002

(Saudi Riyal)

23- MARKETING & ADVERTISING EXPENSES

	For the year ended 31 December	
	2023	2022
Advertising and publicity	**115,872,593**	112,916,978
Salaries, wages and employees' benefits	**34,095,864**	18,460,588
	149,968,457	131,377,566

24- GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December	
	2023	2022
Salaries, wages and employees' benefits	**38,701,862**	21,208,661
Depreciation and amortization	**13,221,362**	6,779,484
Other expenses related to drivers *	**--**	79,528,187
Professional fees	**18,033,218**	10,143,563
Missions, maintenance and operation	**10,645,539**	6,962,978
Other	**25,592,625**	11,826,689
	106,194,606	136,449,562

* Other expenses related to drivers includes an amount of SR 62,687,871 in 2022 represent the value of salaries, wages and benefits of drivers for a period before the completion of the necessary procedures to join the operating team. and it includes other governmental charges with a total of SR 16,840,316 represent the losses incurred by the Company for terminating the services of drivers, no such expenses incurred in 2023.

25- REASERCH AND DEVELOPMENTS

	For the year ended 31 December	
	2023	2022
Salaries, wages and employees' benefits	**37,315,471**	23,252,805
External resources	**4,551,270**	10,531,264
	41,866,741	33,784,069

26- SEGMENT INFORMATION

Information related to the Group's operating segments are presented below in accordance with IFRS 8 "operating segments", which the standard requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker ("CODM") – The Chairman of Board of Directors- and used to allocate resources to the segments and to assess their performance.

The activities of the Company for which financial reports are prepared according to IFRS 8 are listed below:

a) Delivery platforms activity inside the Kingdom: this activity is to provide services of delivering food and other goods via electronic platforms inside the Kingdom.
b) Delivery platforms activity outside the Kingdom: this activity is to provide services of delivering food and other goods via electronic platforms through the two subsidiaries; Jahez Company in the Kingdom of Bahrain and Jahez Company in Kuwait.
c) Logistics services activity: it includes the logistics support operations and directing goods transporting vehicles.
d) Other activities such as Cloud kitchens and other software services.

The CODM used to receive the other operating information in an accumulated basis and they are the same information that is provided to the Group's Board of Directors for the purposes of resource allocation and assessment of segment performance.

(Saudi Riyal)

26- SEGMENTS INFORMATION (CONTINUED)

31 December 2023	Delivery Platforms Segment		Logistics activity	Other activities		Exclusions / amendments	Total
	Inside the Kingdom	Outside the Kingdom	Inside the Kingdom	Inside the Kingdom	Outside the Kingdom		
	SR	SR	SR	SR	SR	SR	SR
External Revenue	1,828,171,093	72,366,596	9,460,284	9,766,757	--	--	1,919,764,730
Inter-segment revenue	--	--	394,666,108	4,861,631	--	(399,527,739)	--
Customer promotions and cash back	(111,107,556)	(11,072,032)	--	(8,041)	--	--	(122,187,629)
Other deductions	--	(12,821,818)	--	--	--	--	(12,821,818)
Net revenue	**1,717,063,537**	**48,472,746**	**404,126,392**	**14,620,347**	**--**	(399,527,739)	**1,784,755,283**
Direct costs	(1,254,239,577)	(108,729,284)	(363,535,370)	(22,710,285)	--	399,527,739	(1,349,686,777)
Impairment loss on trade receivables	(1,022,887)	--	(4,077,784)	--	--	--	(5,100,671)
Expenses	(205,558,815)	(35,749,375)	(16,831,219)	(19,591,959)	--	--	(277,731,368)
Depreciation and amortization	(17,615,492)	(1,251,652)	(21,383,189)	(9,239,086)	--	--	(49,489,419)
Other income/(expenses)	47,384,339	87,608	(17,404)	1,018,592	--	--	48,473,135
Finance costs	(400,582)	(17,799)	(4,271,781)	(766,782)	--	--	(5,456,944)
Zakat	(27,065,630)	--	--	--	--	--	(27,065,630)
Net segment profit	**258,544,893**	**(97,187,756)**	**(5,990,355)**	**(36,669,173)**	--	**--**	**118,697,609**
Total assets	**1,521,212,523**	**33,520,937**	**115,069,750**	**181,859,060**	--	**(200,866,430)**	**1,650,795,840**
Total liabilities	**400,674,431**	**143,411,289**	**248,012,393**	**198,951,366**	--	**(485,732,583)**	**505,316,896**

(Saudi Riyal)

26- SEGMENTS INFORMATION (CONTINUED)

31 December 2022	**Delivery Platforms Segment**		**Logistics activity**	**Other activities**	**Exclusions / amendments**	**Total**
	Inside the Kingdom	**Outside the Kingdom**	**Inside the Kingdom**	**Inside the Kingdom**		
	SR	**SR**	**SR**	**SR**	**SR**	**SR**
External Revenue	1,662,716,676	4,129,136	--	5,166,573	--	1,672,012,385
Inter-segment revenue	--	--	310,371,872	--	(310,371,872)	--
Customer promotions and cash back	(69,194,656)	(340,890)	--	--	--	(69,535,546)
Other deductions	--	--	--	--	--	--
Net Revenue	**1,593,522,020**	**3,788,246**	**310,371,872**	**5,166,573**	**(310,371,872)**	**1,602,476,839**
Direct costs	(1,196,633,074)	(12,545,315)	(336,602,367)	(5,467,980)	313,608,484	(1,237,640,252)
Impairment loss on trade receivables	3,757,461	--	--	--	--	3,757,461
Expenses	(195,255,027)	(4,869,508)	(3,008,776)	(1,077,266)	--	(204,210,577)
Other cost	--	--	(79,528,187)	--	--	(79,528,187)
Depreciation and amortization	(6,818,670)	(118,083)	(13,348,221)	(3,244,209)	--	(23,529,183)
Other income/(expenses)	24,253,198	--	635,217	1,769,173	--	26,657,588
Finance costs	(376,589)	--	(2,391,059)	(388,312)	--	(3,155,960)
Zakat	(28,304,442)	--	--	--	--	(28,304,442)
Net segment profit	194,144,877	(13,744,660)	(123,871,521)	(3,242,021)	3,236,612	56,523,287
Total assets	**1,296,681,041**	**7,114,300**	**136,544,144**	**66,842,974**	**(96,297,299)**	**1,410,885,160**
Total liabilities	**309,367,019**	**20,421,730**	**264,028,273**	**59,276,198**	**(246,173,735)**	**406,919,485**

27- FINANCIAL INSTRUMENTS

The Group is subjected to various financial risks due to its activities including: Market risk (including currency risk, fair value and cash flows of interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Board of Directors is responsible for risk management. Financial instruments recognized in the consolidated statement of financial position include cash and cash equivalents, deposits with financial institutions, trade receivables, due from/to related parties, investments at FVTPL, other current assets, trade payables, accrued expenses, other current liabilities, proceeds due to customers, and leases liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Financial asset and liability is offset and net amounts reported in the consolidated financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the assets and liabilities simultaneously.

a. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, profit rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a.1 Currency risk

Currency risk is the risk that the value of a financial instruments will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals and US Dollars. The Saudi Riyal is pegged to the US Dollar. The management closely and continuously monitors the exchange rate fluctuations.

a.2 Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows.

The Group has no significant interest rate risk.

b. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from trade receivables, cash and cash equivalents, due from related parties and Deposits with financial institutions.

	31 December 2023	31 December 2022
Trade receivables	**36,425,399**	22,776,390
Cash and cash equivalents	**1,109,059,521**	902,685,742
Deposits with financial institutions	**107,564,031**	200,000,000
	1,253,048,951	1,125,462,132

(Saudi Riyal)

27- FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk on receivable and bank balances is limited as:
- Cash and cash equivalents, Deposits with financial institutions are held with banks with sound credit ratings ranging from BBB- and above.
- The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, unemployment rate, inflation rate and interest rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusted the historical loss rates based on expected changes in these factors.

- Financial position of related parties is stable.

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis.

The carrying amount of financial assets represents the maximum credit exposure. The ageing schedule of trade receivables is as follows:

	31 December 2023			31 December 2022		
	Balance	**Rate**	**Impairment**	Balance	Rate	Impairment
1 to 90 days	25,457,605	7%	1,699,306	16,146,070	1%	119,620
91 to 180 days	2,495,235	22%	548,956	2,815,984	12%	326,845
181 to 270 days	2,320,926	40%	930,524	4,205,223	1%	59,298
271 to 361 days	2,564,578	52%	1,330,143	58,577	311%	182,111
More than 361 days	3,258,498	48%	1,550,922	562,586	61%	341,306
Total	**36,096,842**	**17%**	**6,059,851**	23,788,440	4%	1,029,180

Definition of default is 90 days anything above is considered as uncollectable.

c. Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The Board of Directors closely and continuously monitors the liquidity risk by performing regular review of available funds, present and future commitments, operating and capital expenditure. Moreover, the Group monitors the actual cash flows and seeks to match the maturity dates with its financial assets and liabilities.

The Group seeks continuously to comply with its legal obligations, including any obligations relating to its financing agreements.

(Saudi Riyal)

27- FINANCIAL INSTRUMENTS (CONTINUED)

The following represents the maturities of financial liabilities at the reporting date based on undiscounted contractual cash flows:

31 December 2023	Less than 1 year	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount
Proceeds due to customers	161,549,641	--	--	161,549,641	161,549,641
Lease liabilities	33,100,000	61,877,548	1,124,369	96,101,917	95,973,062
Trade payables	83,573,373	--	--	83,573,373	83,573,373
Accrued expenses and other current liabilities	105,016,481	--	--	105,016,481	105,016,481
	383,239,495	61,877,548	1,124,369	446,241,412	446,112,557

31 December 2022	Less than 1 year	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount
Proceeds due to customers	118,800,899	--	--	118,800,899	118,800,899
Lease liabilities	32,168,120	95,105,639	1,728,152	129,001,911	129,001,911
Trade payables	52,161,285	--	--	52,161,285	52,161,285
Accrued expenses and other current liabilities	68,257,264	--	--	68,257,264	68,257,264
	271,387,568	95,105,639	1,728,152	368,221,359	368,221,359

28- BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing net income for the year attributable to the Group's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	For the year ended 31 December	
	2023	2022
Net profit	**125,336,967**	58,977,006
Weighted average number of shares*	**205,996,060**	205,803,800
Basic earnings per share	**0.61**	0.29
Diluted earnings per share	**0.61**	0.29

* On 13 Jumada al-Ula 1445 AH (corresponding to November 27, 2023), the extraordinary general assembly approved to split the book value of the group's shares from 10 riyals per share to 50 halala per share. The transaction was treated retroactively.

(Saudi Riyal)

28- BASIC AND DILUTED EARNINGS PER SHARE (CONTINUE)

The breakdown of weighted-average numbers of shares are as follows:

a) Ordinary shares

	31 December 2023	31 December 2022
Ordinary shares at the beginning of the period	**209,836,060**	192,000,000
Treasury shares	**(3,840,000)**	--
Outstanding shares at the beginning of the period	**205,996,060**	192,000,000

	31 December 2023	31 December 2022
Outstanding shares at the beginning of the period	**205,996,060**	192,000,000
Weighted average of shares issued during the period	**--**	17,591,060
Weighted average of shares repurchased during the period	**--**	(3,787,260)
Weighted average of shares numbers at the end of the period	**205,996,060**	205,803,800

b) Diluted shares

	31 December 2023	31 December 2022
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share at the end of the period.	**205,996,060**	205,803,800
Affect of share options	**631,497**	210,080
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share.	**206,627,557**	206,013,880

29- CAPITAL MANAGEMENT

The policy of the Board of Directors is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the Group. The Group manages its capital structure and makes adjustments to it, in light of change in economic conditions.

The Board of Directors monitors the debt-to-equity ratio. the Board of Directors also monitors the level of dividends. There were no changes in the Group's approach to capital management during the year. The Group does not subject to externally imposed capital requirements. The Group's debt to equity ratio at the end of the reporting period was as follows:

	31 December 2023	31 December 2022
Total liabilities	**505,316,896**	406,919,485
Less: cash and cash equivalents	**(1,109,059,521)**	(902,685,742)
Net debt	**(603,742,625)**	(495,766,257)
Total equity	**1,145,478,944**	1,003,965,674
Net debt to equity ratio	**(53%)**	(49%)

(Saudi Riyal)

30- FAIR VALUE MEASUREMENT

The following table shows the carrying amount and fair value of the financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

	31 December 2023						
	Carrying amount			Fair value			
	Amortized cost	Other financial assets and liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Trade receivables	36,425,399	--	36,425,399	--	--	--	--
Cash and cash equivalents	1,109,059,521	--	1,109,059,521	--	--	--	--
Deposits with financial institutions	107,564,031	--	107,564,031	--	--	--	--
Investments at FVTPL	--	84,096,616	84,096,616	--	--	84,096,616	84,096,616
	1,253,048,951	84,096,616	1,337,145,567	--	--	84,096,616	84,096,616
Financial liabilities							
Proceeds due to customers	161,549,641	--	161,549,641	--	--	--	--
Accrued expenses and other current liabilities	105,016,481	--	105,016,481	--	--	--	--
Trade payables	83,573,373	--	83,573,373	--	--	--	--
Lease liabilities	95,973,062	--	95,973,062	--	--	--	--
	446,112,557	--	446,112,557	--	--	--	--

(Saudi Riyal)

30- FAIR-VALUE MEASUREMENT (CONTINUED)

	31 December 2022						
	Carrying amount			**Fair value**			
	Amortized cost	**Other financial assets and liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				--	--	--	--
Trade receivables	22,776,390	--	22,776,390	--	--	--	--
Cash and cash equivalents	902,685,742	--	902,685,742	--	--	--	--
Deposits with financial institutions	200,000,000	--	200,000,000	--	--	--	--
Investments at FVTPL	--	22,728,737	22,728,737	--	--	22,728,737	22,728,737
	1,125,462,132	**22,728,737**	**1,148,190,869**	**--**	**--**	**22,728,737**	**22,728,737**
Financial liabilities							
Proceeds due to customers	118,800,899	--	118,800,899	--	--	--	--
Accrued expenses and other current liabilities	68,257,264	--	68,257,264	--	--	--	--
Trade payables	52,161,285	--	52,161,285	--	--	--	--
Lease liabilities	129,001,911	--	129,001,911	--	--	--	--
	368,221,359	**--**	**368,221,359**	**--**	**--**	**--**	**--**

(Saudi Riyal)

31- CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group does not have any capital commitments as at 31 December 2023 (31 December 2022: Nil).

The Group has contingent contractual commitments represent commitments to receive advertising services, mainly with Al Hilal Saudi Club for a period of five sports seasons ending in 2026, with a value of SR 56,1 million as at 31 December 2023 (31 December 2022: SR 37,8 million). In addition, the contract included the payment of additional amounts in the event that the first team of Al Hilal Club wins in a season or certain tournaments, with a maximum amount of SR 3.5 million per year.

The Group has contingent contractual commitments represent commitments to receive advertising services ending in 2023 amounting to SR 24,4 million as at 31 December 2023 (31 December 2022: SR 4,5 million).

The Group has also contingent contractual commitments represent commitments to receive employment and other services ending in 2024 amounting to 9,2 SR million as at 31 December 2023, (31 December 2022: SR 1.3 million).

32- BUSINESS COMBINATION

32.a Marn Business Information Technology Company Acquisition

On 2 January 2023, the Group completed the process and legal formalities of the acquisition of the entire shares of Marn Business Information Technology Company ("Marn") (A limited liability company) for cash consideration of SAR 60 million. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the "Standard"). As required by the standard, the Group has accounted for the acquisition based on fair values of the acquired assets and assumed liabilities as at the acquisition date and has completed the Purchase Price Allocation accounting.

The following table summarizes the recognized amounts at fair value of assets acquired and liabilities assumed at the date of acquisition.

Assets	**2 January 2023**
Property and equipment	154,199
Intangible assets	1,384,765
Prepayments and other receivables	85,032
Due to related parties	108,448
Inventory	54,709
Right-of-use assets	100,293
Cash and cash equivalents	306,915
Total assets	**2,194,361**
Liabilities	
Employees' benefits	736,315
Short-term loans	1,123,720
Lease liabilities	70,000
Accrued expenses and other payables	2,618,263
Total liabilities	**4,548,298**
Identifiable net liability at acquisition date	**(2,353,937)**

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32- BUSINESS COMBINATION (CONTINUED)

32.a Marn Business Information Technology Company Acquisition (Continued)

Result of the acquisition	
Consideration transferred - Cash	60,000,000
Identifiable net liability	2,353,937
Goodwill	62,353,937

Analysis of Cashflows on Acquisition Date	
Net cash acquired with the subsidiary	306,915
Cash paid as consideration	(60,000,000)
Net Cashflow on acquisition	(59,693,085)

Summary of Revenue and Loss:	**Revenue**	**Loss**
From the beginning of the period	6,924,846	(14,764,740)
From the acquisition date	1,086,884	(1,418,145)

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

Gross Carrying Amount	
At 1 January 2023	--
At Acquisition date of 2 January 2023	62,353,937
At 31 December 2023	62,353,937
Accumulated Impairment	
At 1 January 2023	--
Impairment losses recognized during the period	--
At 31 December 2023	--

32.b SOL Company for Trading Acquisition

On 26 December 2023, the Group completed the process and legal formalities of the acquisition of 35% of the shares of SOL Company for Trading (limited liability company) for cash consideration of SAR 5 Million. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the "Standard"). As required by the Standard, the Group is currently in the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities acquired. The Group has, however, accounted for the acquisition based on provisional fair values of the acquired assets and assumed liabilities as at the acquisition date. Adjustment to the provisional values will be finalized within twelve months of the date of acquisition as allowed by the Standard.

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32- BUSINESS COMBINATION (CONTINUED)

32.b SOL Company for Trading Acquisition (Continued)

The following table summarizes the recognized amounts at provisional fair value of assets acquired and liabilities assumed at the date of acquisition.

Assets	**26 December 2023**
Property and equipment	91,406
Intangible assets	47,950
Right-of-use assets	993,004
Inventory	303,028
Prepayments and other current assets	481,316
Accounts receivables	9,271,626
Cash and cash equivalents	1,114
Total assets	**11,189,444**
Liabilities	
Employees' benefits	175,609
Lease liabilities	803,897
Short term loan	2,700,019
Account payable	9,363,362
Accrued expenses and other payables	546,023
Zakat	318
Total liabilities	**13,589,228**
Identifiable net liability at acquisition date*	**(2,399,784)**
Result of the acquisition	
Consideration transferred - cash	5,000,000
Identifiable net liability	(2,399,784)
Provisional goodwill**	
Consideration transferred - cash	5,000,000
Group share in additional paid in capital	1,750,000
Non controlling interest share in additional paid in capital	3,250,000
The group share of Identifiable net liability	839,925
Provisional goodwill recognized	**4,089,925**
Non controlling interest reconciliation	
Consideration transferred - cash	5,000,000
Non-controlling interest share in additional paid in capital	3,250,000
Non-controlling interest share of Identifiable net liability	(1,559,860)
Net change in non-controlling interest	**1,690,140**

The consideration transferred is the consideration of acquiring a share representing 35% of the paid-in capital at the acquisition date, and then increasing the capital of the subsidiary to become SR 5.1 million, of which the Group's share is SR 1.7 million, representing 35% of the total paid-up and additional capital.

33- SIGNIFICANT EVENTS

On 13 Jumada al-Ula 1445 AH (corresponding to 27 November 2023), the extraordinary general assembly approved the shares buy-back with a maximum of (5,875,400) shares, to retain them as treasury shares, as the Board of Directors considers that the share price on the market is lower than its fair value, and the purchase of these shares will be financed through the company internal resources or bank facilities, and authorized the Board of Directors to execute the purchase within a maximum period of (12) months of the Extraordinary General Assembly's decision. The Company may retain the treasury shares for a maximum period of (24) months from the date of the Extraordinary General Assembly decision, and after the expiry of this period, the Company will follow the procedures and policies stipulated in the relevant laws and regulations. The Company did not yet proceed with the shares buy back till the date of issuance of the financial statements.

34- SUBSEQUENT EVENTS

On 18 Rajab 1445H (corresponding to 30 January 2024), The Company participated in the Series B Preferred Shares of Grub Tech Limited, limited liability company incorporated in Virgin Islands with total investment of 7,500,000 USD (equivalent to SAR 28,125,000) based on recommendation of the Investment Committee dated on the 30th of January 2024.

On 26 Sha'ban 1445H (corresponding to 7 March 2024), The Company participated in the Series B Preferred Shares of Global Fintech Company, limited liability company incorporated in Virgin Islands with total investment of 20,000,000 USD (equivalent to SAR 75,000,000) based on the recommendation of the Investment Committee dated on the 20th of February 2024 and board of directors' decision dated 3 March 2023.

35- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors for issuance on 10 Ramadan 1445H (Corresponding to 20 March 2024).